LARAMIDE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Laramide Resources Ltd. were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

The Board of Directors is responsible for ensuring management fulfills its financial reporting responsibilities and for reviewing and approving the consolidated financial statements together with other financial information. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the audited annual consolidated financial statements and auditor's report together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate control over its financial reporting. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on "Internal Control Over Financial Reporting - Guidance for Smaller Public Companies" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as at December 31, 2009.

CONCLUSION RELATING TO DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of management, including the Chief Executive and Chief Financial Officers, of the effectiveness of the Company's disclosure controls and procedures as defined in the National Instrument 52-109. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of the Company's disclosure controls and procedures were effective as at December 31, 2009.

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AUDITORS' REPORT

To the Shareholders of
Laramide Resources Ltd.

We have audited the consolidated balance sheets of Laramide Resources Ltd. as at December 31, 2009 and 2008 and the consolidated statements of operations, comprehensive loss, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
February 12, 2010

LARAMIDE RESOURCES LTD.

CONSOLIDATED BALANCE SHEETS

(EXPRESSED IN CANADIAN DOLLARS)

December 31	2009	2008
Assets		
Current Assets		
Cash and cash equivalents	**$ 1,823,666**	$ 1,361,144
Short-term investments	**3,163,640**	1,020,000
Accounts receivable	**308,700**	524,148
Loans receivable (Note 5)	**75,512**	131,021
Investment (Note 6)	**7,350,151**	2,160,225
	12,721,669	5,196,538
Investments (Note 6)	**10,516,733**	5,375,409
Property and equipment (Note 7)	**1,130,633**	1,568,369
Mineral properties and related exploration costs (Note 8)	**62,020,782**	54,525,690
	$ 86,389,817	$ 66,666,006
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 845,446**	$ 1,206,329
Future tax liability (Note 15)	**8,446,400**	7,829,100
	9,291,846	9,035,429
Shareholders' Equity		
Capital stock (Note 10)	**116,943,302**	110,928,416
Warrants (Note 11)	**2,062,358**	4,174,875
Contributed surplus (Note 13)	**19,922,107**	13,457,073
Deficit	**(56,659,460)**	(41,087,050)
Accumulated other comprehensive loss	**(5,170,336)**	(29,842,737)
	77,097,971	57,630,577
	$ 86,389,817	$ 66,666,006

Nature of Operations (Note 1)
Commitments and Contingencies (Note 17)
Subsequent Event (Note 19)

SIGNED ON BEHALF OF THE BOARD

(Signed) *"Marc C. Henderson"*
Director

(Signed) *"Scott Patterson"*
Director

Laramide Resources Ltd.

The accompanying notes are an integral part of these consolidated financial statements

LARAMIDE RESOURCES LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(EXPRESSED IN CANADIAN DOLLARS)

Years Ended December 31	**2009**	2008
Revenues		
Interest income	**$ 48,711**	$ 174,777
Change in value of held-for-trading investments	**904,151**	-
Gain (loss) on sale of investments	**414,932**	(4,960)
	1,367,794	169,817
Expenses		
Administrative and office	**967,226**	1,761,198
Audit and legal	**174,064**	243,097
Consulting	**273,413**	288,172
Foreign exchange (gain) loss	**(35,696)**	22,664
Stock-based compensation (Note 12)	**1,144,642**	1,431,719
Amortization of property and equipment	**9,210**	23,756
Write-down of available-for-sale investment (Note 6(v))	**14,289,545**	-
Write-down of mineral properties	**-**	1,580,630
	16,822,404	5,351,236
Loss from continued operations before income taxes	**(15,454,610)**	(5,181,419)
Income taxes - future (Note 15)	**(117,800)**	(50,427)
Net loss from continued operations	**(15,572,410)**	(5,231,846)
Loss from discontinued operations (Note 9)	**-**	(407,528)
Net loss for the year	**$(15,572,410)**	$ (5,639,374)
Loss per share (Note 16)		
Basic	**$ (0.23)**	$ (0.09)
Diluted	**$ (0.23)**	$ (0.09)
Basic, from continued operations	**$ (0.23)**	$ (0.09)
Diluted, from continued operations	**$ (0.23)**	$ (0.09)

The accompanying notes are an integral part of these consolidated financial statements

LARAMIDE RESOURCES LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(EXPRESSED IN CANADIAN DOLLARS)

Years Ended December 31	**2009**	2008
Net loss for the year	**$(15,572,410)**	$ (5,639,374)
Other comprehensive loss, net of taxes		
Unrealized gain (loss) on available-for-sale investments	**10,797,788**	(32,340,078)
Reclassification of realized (gain) loss on available-for-sale investments to income	**(414,932)**	4,960
Re-classification of unrealized loss on available-for-sale investment to income upon write-down (Note 6)	**14,289,545**	-
Reclassification of unrealized loss resulting from spin-out transaction (Note 9)	**-**	3,517,285
	24,672,401	(28,817,833)
Comprehensive income (loss)	**$ 9,099,991**	$(34,457,207)

The accompanying notes are an integral part of these consolidated financial statements

LARAMIDE RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

	Number of Shares	Capital Stock	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2007	58,832,592	$ 98,573,490	$ 8,011,138	$ 6,794,965	$(18,658,607)	$ (1,024,904)	$ 93,696,082
Shares issued for cash on private placement	3,712,500	14,850,000	-	-	-	-	14,850,000
Cost of issue - cash	-	(1,134,099)	-	-	-	-	(1,134,099)
Issuance of warrants	-	(193,725)	193,725	-	-	-	-
Flow-through tax effect	-	(1,167,250)	-	-	-	-	(1,167,250)
Expiry of warrants	-	-	(4,029,988)	4,029,988	-	-	-
Stock-based compensation	-	-	-	2,632,120	-	-	2,632,120
Equity adjustment due to spin-out transaction	-	-	-	-	(16,789,069)	-	(16,789,069)
Net loss for the year	-	-	-	-	(5,639,374)	-	(5,639,374)
Other comprehensive loss	-	-	-	-	-	(28,817,833)	(28,817,833)
Balance, December 31, 2008	**62,545,092**	**110,928,416**	**4,174,875**	**13,457,073**	**(41,087,050)**	**(29,842,737)**	**57,630,577**
Shares issued for cash on private placement	**5,000,000**	**8,750,000**	**-**	**-**	**-**	**-**	**8,750,000**
Cost of issue - cash	**-**	**(736,206)**	**-**	**-**	**-**	**-**	**(736,206)**
Issuance of warrants	**-**	**(1,998,908)**	**1,998,908**	**-**	**-**	**-**	**-**
Issue of warrants for cash, on exercise of over-allotment option	**-**	**-**	**63,450**	**-**	**-**	**-**	**63,450**
Expiry of warrants	**-**	**-**	**(4,174,875)**	**4,174,875**	**-**	**-**	**-**
Stock-based compensation	**-**	**-**	**-**	**2,290,159**	**-**	**-**	**2,290,159**
Net loss for the year	**-**	**-**	**-**	**-**	**(15,572,410)**	**-**	**(15,572,410)**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**24,672,401**	**24,672,401**
Balance, December 31, 2009	**67,545,092**	**$116,943,302**	**$ 2,062,358**	**$ 19,922,107**	**$(56,659,460)**	**$ (5,170,336)**	**$ 77,097,971**

The accompanying notes are an integral part of these consolidated financial statements

LARAMIDE RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(EXPRESSED IN CANADIAN DOLLARS)

Years Ended December 31	2009	2008
Cash provided by (used in):		
Operating Activities		
Net loss for the year from continuing operations	$ (15,572,410)	$ (5,231,846)
Adjustment for		
Loss (gain) on sale of investments	(414,932)	4,960
Stock-based compensation	1,144,642	1,431,719
Write-down of available-for-sale investment	14,289,545	-
Write-down of mineral properties	-	1,580,630
Change in value of held-for-trading investments	(904,151)	-
Amortization of property and equipment	9,210	23,756
Future income tax expense	117,800	50,427
	(1,330,296)	(2,140,354)
Net change in non-cash working capital items:		
Funds in trust	-	4,025,000
Accounts receivable	215,448	(162,104)
Loan receivable	55,509	328,382
Accounts payable and accrued liabilities	(360,883)	(710,517)
	(1,420,222)	1,340,407
Financing Activities		
Issue of common shares, net of issue costs	8,013,794	13,715,901
Issuance of warrants for cash	63,450	-
	8,077,244	13,715,901
Investing Activities		
Purchase of short-term investments	(8,030,000)	(25,020,000)
Proceeds on sale of short-term investments	5,886,360	25,500,000
Purchase of investments	(361,897)	(588,544)
Proceeds on sale of investments	1,754,610	275,894
Acquisition of property and equipment	(91,907)	(286,408)
Acquisition of mineral properties and related deferred costs	(5,351,666)	(10,194,643)
	(6,194,500)	(10,313,701)
Cash provided by continued operations	462,522	4,742,607
Cash used in discontinued operations	-	(7,148,163)
Increase (decrease) in cash and cash equivalents	462,522	(2,405,556)
Cash and cash equivalents, beginning of year	1,361,144	3,766,700
Cash and cash equivalents, end of year	$ 1,823,666	$ 1,361,144

Laramide Resources Ltd.

The accompanying notes are an integral part of these consolidated financial statements

LARAMIDE RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(EXPRESSED IN CANADIAN DOLLARS)

Years Ended December 31	2009	2008
Supplementary cash flow information:		
Amortization of property and equipment capitalized to mineral properties (Note 7)	**$ 520,435**	$ 524,365
Future income taxes capitalized to mineral properties	**$ 500,000**	$ 512,752
Stock-based compensation capitalized to mineral properties (Note 12)	**$ 1,145,517**	$ 1,200,401

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Laramide Resources Ltd. (the “Company” or "Laramide”) is a publicly traded company listed on the TSX Exchange under the symbol “LAM” and is involved in the exploration and development of mineral properties in Australia and the United States of America ("USA"). The mineral properties of Laramide are all in the exploration stage.

The Company is in the process of determining whether its mineral properties contain reserves that are economically recoverable. The recovery of amounts capitalized for mineral exploration properties in the consolidated balance sheets is dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange appropriate financing to complete the development of the properties and upon future profitable production or proceeds from their disposition. A significant portion of the Company’s mineral property interests are located in Australia and as a result of the current ban in Queensland, Australia on issuing new uranium mining permits and unless this ban is removed, there is uncertainty as to whether the Company will be able to bring its project into production (see Note 8 (1)).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned U.S. subsidiaries, Cerro Dorado, Inc. and Laramide Resources Inc.; its wholly-owned Mexican subsidiary, Mineral Lara S.A. de C.V.; and its wholly-owned Australian subsidiaries, Lagoon Creek Resources Pty Ltd., Westmoreland Resources Pty Ltd. and Tackle Creek Resources Pty Ltd.

Mineral Properties and Related Deferred Costs

Costs relating to the acquisition, exploration and development of non-producing resource properties held by the Company are capitalized until such time as either economically recoverable reserves are established, the properties are sold or abandoned or the value of the particular property is impaired. The excess of these costs over estimated recoveries is charged to operations. The ultimate recovery of these costs depends on the discovery and development of economic reserves or the sale of the mineral rights. The amounts shown for non-producing resource properties do not necessarily reflect present or future values.

Foreign Exchange

The Company conducts its business in U.S. dollars in the USA and in Australian dollars ("AUD") in Australia through its subsidiaries. The Company uses the temporal method of currency translation for translating its foreign operations into Canadian dollars. Under this method, monetary assets and liabilities have been translated at the exchange rate prevailing at the consolidated balance sheet dates. Income and expenses are translated at rates prevailing at the dates of the related transactions. Non-monetary assets, liabilities and equity are translated at historical rates. Gains and losses on foreign exchange for the year are included in the consolidated statements of operations.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ materially from those estimates. Areas where management uses subjective judgment include, but are not limited to, valuation of investments, determining the estimated useful life of property and equipment, impairment of mineral properties and related deferred costs, future income taxes, and the valuation of stock options and warrants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss Per Share

Basic loss per share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares, which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a manner similar to basic loss per share, except that the weighted average shares outstanding are increased to include the potentially issuable common shares from the assumed exercise of options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

Stock-Based Compensation

The Company recognizes the fair value of stock based compensation over the vesting period of the options. The fair value of the options granted is calculated using the Black-Scholes option pricing model that takes into account the exercise price, expected life of the option, expected volatility of the underlying shares, expected dividend yield, and the risk free interest rate for the term of the option.

Income Taxes

The asset and liability method is used for determining future income taxes. Under this method, future income tax assets and liabilities are recognized for the estimated income taxes recoverable or payable that would arise if assets and liabilities were recovered and settled at the financial statement carrying amounts. Future income tax assets and liabilities are measured using the substantively enacted income tax rates expected to be in effect when the income tax assets or liabilities are recovered or settled, respectively. Changes to these amounts are recognized in income in the year in which the changes occur. Future income tax assets, including the tax benefit of losses carried forward, are recognized to the extent that it is more likely than not that the Company will realize the benefits of the asset.

Cash and Cash Equivalents

Cash consists of cash at banks and on hand; cash equivalents consist of highly liquid short-term investments, which may be settled on demand without penalty or within a maximum 90-day period from the date of purchase.

Short-Term Investments

Short-term investments are liquid investments with a maturity greater than three months but less than one year and are recorded at fair market value.

Property and Equipment

Amortization is recorded using the following rates and methods:

Computer equipment	20%	Declining balance
Furniture and fixtures	20%	Declining balance
Office equipment	10%	Declining balance
Field equipment	-	Straight-line, over five years
Motor vehicles	-	Straight-line, over five years
Leasehold improvements	-	Straight-line, over three years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Company recognizes revenue on the accrual basis. Interest revenue is recognized when earned and gains on sales of investments are recognized on the trade date, when title of the underlying investment passes to the buyer and there is reasonable assurance of collection.

Impairment of Long-lived Assets

Long-lived assets are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. When indicators of impairment of the carrying value of the long-lived assets exist and the carrying value is greater than the fair value, an impairment loss is recognized to the extent that the fair value is below the carrying value.

Flow-through Financing

The Company may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from the expenditure of the proceeds. When the tax authorities are informed that the resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate) and share capital is reduced. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

Asset Retirement Obligations

The Company recognizes a liability for its legally enforceable obligations associated with the retirement of its tangible long-lived assets, which includes mineral properties and property and equipment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is amortized over the life of the asset, provided a reasonable estimate of the obligation can be made. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. The liability may be adjusted prospectively in future periods as a result of changes in estimates relating to timing or amounts of underlying cash flows.

As at December 31, 2009, the Company has not incurred or committed any asset retirement obligations.

Financial Instruments

The Company has designated its cash and cash equivalents, short-term and current investments and warrants as held-for-trading, which are measured at fair value. Accounts receivable and loans receivable are classified as loans and receivables, which are measured at amortized cost. Marketable securities in investments are classified for accounting purpose as available-for-sale, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

(EXPRESSED IN CANADIAN DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Hierarchy and Liquidity Risk Disclosure

In June 2009, the CICA issued an amendment to Handbook Section 3862 to provide improvements to fair value and liquidity risk disclosures. The amendment applies to the Company's fiscal year ending December 31, 2009. This adoption resulted in additional disclosure as provided below.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and cash equivalents and short-term investments. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

	Level One	Level Two	Level Three
Cash and cash equivalents	$ 1,823,666	$ -	$ -
Short-term investments	$ 3,163,640	$ -	$ -
Investments**	$ 17,357,580	$ -	$ 509,304

** Investments under level one include an investment in Virginia Energy Resources Inc, which would have been previously identified under level two. Activity in this investment is set out in note 6.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at December 31, 2009.

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted Section 3064 – Goodwill and Intangible Assets which replaced CICA Handbook sections 3062 and 3450, EIC 27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards (“IFRS”). The objectives of CICA 3064 are to reinforce the principle based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to Goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intends to reduce the differences with IFRS in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The adoption of this standard did not have any impact on the consolidated financial statements of the Company as at, or for the year ended December 31, 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to have prepared, in time for its first quarter of fiscal 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010.

Business Combinations. Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and the capital stock, warrant, and option components of its shareholders equity.

At December 31, 2009, the Company has working capital of $11,876,223 (December 31, 2008 - $3,990,209). Capital stock and warrants total $119,005,660 (December 31, 2008 - $115,103,291). There are 3,855,000 options outstanding as at December 31, 2009 (December 31, 2008 - 2,020,000) with an average exercise price of $3.39 (December 31, 2008 - $6.85).

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2009. The Company is not subject to any externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, short-term investments, accounts receivable and loans receivable.

Cash and cash equivalents of $1,823,666 (2008 - $1,361,144) are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal.

Short-term investments of $3,163,640 (2008 - $1,020,000) are held in Government of Canada GIC's, held by a reputable brokerage firm, from which management believes the risk of loss to be minimal.

Accounts receivable of $308,700 (2008 - $524,148) and loans receivable of $75,512 (2008 - $131,021) are in good standing as of December 31, 2009. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable and loans receivable is minimal.

4. FINANCIAL RISK FACTORS (Continued)

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at December 31, 2009, the Company had cash and cash equivalents of $1,823,666 (December 31, 2008 - $1,361,144) and a liquid short-term investment balance of $3,163,640 (December 31, 2008 - $1,020,000) to settle current liabilities of $845,446 (December 31, 2008 - $1,206,329). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

(a) Interest Rate Risk

The Company has cash and cash equivalents of $1,823,666 (2008 - $1,361,144), variable rate short-term investments of $3,163,640 (2008 - $1,020,000) and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar because all financing is raised in Canadian dollars and most major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States and Australia using US and Australian currency converted from its Canadian and Australian dollar bank accounts held in Canada and Australia.

(c) Market Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on their short-term and long-term investments. The Company's other financial instruments (cash and cash equivalents, accounts receivable, loans receivable and accounts payable and accrued liabilities) are not subject to market risk.

4. FINANCIAL RISK FACTORS (Continued)

Sensitivity Analysis

As of December 31, 2009, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

i) Short-term investments are subject to floating interest rates. As at December 31, 2009, if interest rates had decreased/increased by 1% from the year-end rate with all other variables held constant, the loss for the year ended December 31, 2009 would have been $21,000 higher/lower, as a result of lower/higher interest income from short-term investments.

ii) The Corporation is exposed to foreign currency risk on fluctuations of financial instruments that are denominated in US and Australian dollars related to cash balances, accounts receivable, investments, loans receivable and accounts payable and accrued liabilities. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect the reported net loss by $195,000.

iii) The Company is exposed market risk as it relates to its investments held in marketable securities. If market prices had increased/decreased by 1% from their December 31, 2009 fair market value positions, comprehensive loss would have been $175,000 higher/lower.

(EXPRESSED IN CANADIAN DOLLARS)

5. LOANS RECEIVABLE

Under the terms of two loan agreements, the Company has advanced $75,512 (December 31, 2008 - $131,021) to its primary drilling service provider in Australia. Under the terms of these loans, the Company is to receive repayments equal to twenty percent of drilling invoices issued by the borrower to the Company for services rendered in accordance with the drilling contract. These loans are non-interest bearing and are subject to no fixed term. Should a loan payment be in default, the borrower must pay interest, at the rate of 9% per annum, on that amount accruing daily from the due date up to but excluding the date of payment.

6. INVESTMENTS

The Company's investments are carried at market value, comprised of the following:

	Number of Shares	**December 31, 2009**	Number of Shares	December 31, 2008
Aquiline Resources Inc. (i) (ii) (iii)	**-**	**$ -**	1,255,945	$ 2,160,225
Treasury Metals Inc.	**4,898,091**	**2,179,651**	4,407,591	595,025
Pan American Silver Corp. - shares (iii)	**274,450**	**6,847,528**	-	-
Pan American Silver Corp. - Warrants (iii)	**110,000**	**502,623**	-	-
Corona Gold Corporation	**171,500**	**70,315**	171,500	51,450
Nation River Resources Ltd. (no quoted value)	**149,885**	**6,681**	149,885	6,681
Uranium Equities Limited	**20,971,654**	**3,152,459**	24,000,000	1,231,200
Sierra Minerals Inc.	**660,027**	**174,907**	600,027	60,003
Khan Resources Inc. (v)	**7,000,000**	**4,410,000**	6,550,000	2,718,250
Virginia Energy Resources Inc. (formerly Santoy Resources Ltd.) (iv)	**1,584,000**	**522,720**	1,320,000	712,800
		$ 17,866,884		$ 7,535,634

(i) *Aquiline shares are classified as current asset on the balance sheet at December 31, 2008.*

(ii) *On September 30, 2008, the Company entered an agreement to purchase 842,504 Aquiline shares from Treasury Metals at a value of $5,055,026. Treasury Metals used the proceeds to repay in full its debt to Laramide. This related party transaction was recorded at the exchange amount and was not in the normal course of business.*

(iii) *On October 14, 2009, Aquiline Resources Inc. announced it has entered into a takeover bid whereby Pan American Silver Corp. would acquire all issued and outstanding shares at an exchange ratio of 0.2495 Pan American common shares and 0.10 Pan Amercian purchase warrants for each Aquiline common share surrendered. The take over bid closed in December 2009, with all Aquiline holdings surrendered for Pan American securities at the noted exchange rate. The purchase warrants have an expected life ranging from 0.17 to 5 years. Both the shares and warrants in Pan American are classified as held for trading. The transaction was accounted for as a non-monetary transaction and recorded at the existing fair value of Aquiline shares on the date of announcement with the related other comprehensive income reclassified to net income.*

(iv) *On February 26, 2009, Virginia Uranium Ltd. and Santoy Resources Ltd., ('Santoy") closed a business combination agreement whereby Santoy acquired all issued and outstanding shares of the Company in exchange for Santoy shares at a ratio of six shares of the Company for every one share of Santoy issued as consideration. Accordingly, for valuation purposes, the equivalent fair market value of Santoy shares as at December 31, 2008 was used as the basis for valuation of this investment. The transaction was accounted for as a non-monetary transaction and recorded at the existing fair value of Virginia Uranium Ltd. shares on the date of announcement with the related other comprehensive income reclassified to net income.*

(EXPRESSED IN CANADIAN DOLLARS)

6. INVESTMENTS (Continued)

(v) In August 2006 Laramide purchased 550,000 units in the IPO of Khan Resources Inc., ("Khan"). The aggregate purchase consideration of $18,647,100 was comprised of: 1,350,000 shares of the Company valued at $9,990,000: a cash payment of $4,675,950 (US$4,500,000); and 1,350,000 warrants of the Company valued at $3,981,150. These warrants expired unexercised in September 2009. By purchase of shares on the open market, the Company increased its total investment in Khan to 7,000,000 shares having a aggregate cost of $21,009,545.

In February 2010 Khan announced a director supported takeover offer bid with expected proceeds of $0.96 cash per share. The offer is open until April 6, 2010. Although the acceptance of the offer by Khan shareholders is uncertain, the Company decided to record a permanent impairment of the Khan investment and has written down the investment to $0.96 per share resulting in a reclassification of $14,289,545 out of Accumulated other comprehensive loss into Gains (loss) on sale of investments in the Consolidated Statements of Operations.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	**Total December 31, 2009**
Computer equipment	$ 190,426	$ 180,919	**$ 9,507**
Furniture and fixtures	79,945	43,106	**36,839**
Office equipment	42,050	20,133	**21,917**
Field equipment	1,863,668	906,832	**956,836**
Motor vehicles	282,514	176,980	**105,534**
Leasehold improvements	99,854	99,854	**-**
	$ 2,558,457	$ 1,427,824	**$ 1,130,633**

During the year, $520,435 (December 31, 2008 - $524,365) of the $529,645 (December 31, 2008 - $548,121) amortization charged against property and equipment was capitalized to the Lagoon Creek project, under mineral properties and related deferred costs.

	Cost	Accumulated Amortization	**Total December 31, 2008**
Computer equipment	$ 190,427	$ 144,471	**$ 45,956**
Furniture and fixtures	79,945	33,897	**46,048**
Office equipment	34,868	13,216	**21,652**
Field equipment	1,797,064	498,817	**1,298,247**
Motor vehicles	264,392	109,782	**154,610**
Leasehold improvements	99,854	97,998	**1,856**
	$ 2,466,550	$ 898,181	**$ 1,568,369**

(EXPRESSED IN CANADIAN DOLLARS)

8. MINERAL PROPERTIES AND RELATED EXPLORATION COSTS

As of December 31, 2009, accumulated costs with respect to the Company's interest in mineral properties owned, leased or under option, consisted of the following:

	Opening Balance January 1, 2009	Net Additions (Reductions/write-offs)	**Ending Balance December 31, 2009**
Westmoreland Project, Australia (1)	$ 37,629,524	$ 5,922,536	**$ 43,552,060**
Lagoon Creek Project, Australia (2)	8,445,556	475,510	**8,921,066**
Homestake Property, USA (3)	4,068,383	1,097,046	**5,165,429**
UNC Mineral Royalty, USA (4)	4,382,227	-	**4,382,227**
	$ 54,525,690	$ 7,495,092	**$ 62,020,782**

	Opening Balance January 1, 2008	Net Additions (Reductions/write-offs)	**Ending Balance December 31, 2008**
Westmoreland Project, Australia (1)	$ 25,367,079	$ 12,262,445	**$ 37,629,524**
Lagoon Creek Project, Australia (2)	8,099,669	345,887	**8,445,556**
Homestake Property, USA (3)	3,486,111	582,272	**4,068,383**
UNC Mineral Royalty, USA (4)	4,382,227	-	**4,382,227**
Sioux Uranium Project, USA (5)	1,826,195	(1,826,195)	**-**
	$ 43,161,281	$ 11,364,409	**$ 54,525,690**

8. MINERAL PROPERTIES AND RELATED EXPLORATION COSTS (Continued)

(1) Westmoreland Project, Australia (Note 17(b))

In 2005, the Company acquired the Westmoreland Project by way of a purchase of all the shares of Tackle Creek Resources Pty Ltd., a private Australian company, in return for 3 million shares of Laramide. A further 1.5 million shares of Laramide may be issued in the future to the previous shareholders of Tackle Creek Resources Pty Ltd., based on successful delineation of copper and gold resources on the property.

During 2006, the Company entered into a data license agreement ("DLA") with Rio Tinto Exploration Pty Ltd, a wholly owned subsidiary of Rio Tinto Ltd ("Rio Tinto"), to license Rio Tinto's extensive historical database for the Westmoreland uranium project located in Queensland, Australia. The database is a compilation of much of the previous exploration work which was completed by various parties on Westmoreland from its initial discovery in 1956 until the year 1999. The database, which is available in both digital and hard copy formats, includes approximately 2,100 drill holes as well as geophysical and metallurgical data.

The Company paid Rio Tinto a license fee consisting of AUD $200,000 (CAD $170,860), 333,608 common shares of Laramide issued on March 16, 2006 valued at $1,751,442, and a further 197,241 common shares on April 6, 2006, valued at $1,309,680. On successfully attaining a mining permit for Westmoreland, the Company must make a further AUD $500,000 (CAD $469,750) cash payment (inflation indexed) to Rio Tinto.

In addition, the Company has granted to Rio Tinto a 1% Net Smelter Royalty on any production from Westmoreland, with cumulative payments capped at AUD $10 million (CAD $9,395,000; but also inflation indexed). In December 2008, Rio Tinto announced that they had sold this royalty to International Royalty Corporation ("IRC"), and in February 2010, IRC was acquired by Royal Gold Inc.

In October 2006, the Company completed an independent national instrument 43-101 technical report on the Westmoreland project.

Laramide Resources Ltd.

8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

(1) Westmoreland Project, Australia (Note 17(b)) **(Continued)**

In April 2007, the Company completed a scoping study for Westmoreland. Other activities in the year included the preparation for a feasibility study program, construction of an exploration camp at the site, completion of drill clearance procedures with the aboriginal traditional owners, and commencement of a drill program in December 2007.

Activities in 2009 and 2008 focused on completion of the planned drill program which commenced in December 2007.

Permitting is dealt with at the individual State government level. In Queensland, the current party in power is the Australian Labor Party ("ALP") which has traditionally been opposed to new uranium mine development. Permitting is contingent on a policy change by the ALP or a change in political parties in power.

(2) Lagoon Creek Project, Australia

Laramide has entered into two separate joint venture agreements in Australia:

Nupower-Lagoon Creek Joint Venture

On May 18, 2005 Laramide entered into a letter of intent with Nupower Resources Ltd. ("Nupower"), (formerly Arafura Resources NL), pursuant to which the Company can farm-in to Nupower's granted exploration license EL23573, Lagoon Creek, in the Northern Territory, approximately 380 kilometres NNW of Mt Isa.

Laramide can earn 50% equity in the tenement with the expenditure of AUD $3 million (CAD $2.8 million) over a four year period on exploration and development. Laramide can also earn an additional 10% equity interest in the joint venture with the expenditure of a further AUD $2.5 million (CAD $2.3 million) before the end of 5 years. The Corporation's minimum expenditure commitment before withdrawal is AUD $1 million (CAD $0.9 million). As part of the agreement, Laramide made two payments in 2005 of AUD $50,000 (CAD $43,350).

The AUD$3 million expenditure has been incurred and the Company is working with Nupower to formalize the transfer of the 50% equity in the tenement.

Activities in 2009 and 2008 focused on completion of the planned drill program.

Gulf Mines Joint Venture

Immediately north of the Lagoon Creek tenement are the tenements held by private Australian explorer Gulf Mines Ltd. (formerly Hartz Range Mines). Laramide has signed an option to earn 90% of any resource pegged under mining tenure consequent to exploration over a defined area on the three Exploration Permits (EPM's) that Gulf Mines owns in the Northern Territory. The defined area covers approximately 65,000 Hectares and Laramide's interest encompasses all minerals with the exception of diamonds. To earn 90% Laramide has to complete a bankable feasibility study on a prospect within the area and following this obtain a mine permit. The first year expenditure commitment with Gulf Mines is AUD $300,000 (CAD $275,610) (spent). The area is also adjacent to Westmoreland and has numerous small uranium – gold occurrences despite the lack of significant previous systematic exploration. As of December 31, 2009, the Company has spent $2,764,665 (December 31, 2008 - $2,677,102) on this joint venture project.

8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

(3) Homestake Uranium Project, USA

In 2005, the Company entered into an agreement with Homestake Mining Company of California and La Jara Mesa Mining Company (collectively "Homestake"), both being wholly-owned subsidiaries of Barrick Gold Corporation, to acquire Homestake's uranium portfolio in the western United States.

Terms of the transaction require Laramide to pay Homestake a total of US $3,750,000 (CAD $3,941,250) in cash. US $1,000,000 (CAD $1,051,000) of the purchase price of US $1,500,000 (CAD $1,576,500) has been paid with the balance of US $500,000 (CAD $525,500), representing an option to acquire the La Sal property. This option will be exercised on completion of the final administrative items required to transfer title. The remaining balance of US $2,250,000 (CAD $2,364,750) is represented by milestone payments tied to the permitting of the projects and commencement of commercial production. In addition Laramide committed to expend and has paid US $1,500,000 (CAD $1,827,000) by November 2007 on the properties and to pay a royalty of US $0.25 (CAD $0.30) per pound of uranium ("U3O8") on any production in excess of eight million pounds from the La Jara Mesa property. During 2009, an aggregate of $1,022,046 (2008 - $582,272) was spent on this project.

Certain title issues with respect to the La Sal property prohibited Homestake from transferring the property. In October 2008, the Company filed a complaint seeking declatory relief to try and resolve these issues. In December 2008, the principal defendants filed its answers. In addition, one defendant filed a Counterclaim against Laramide and Homestake, alleging interference with its rights in the property. On March 19, 2009, the Court issued a Scheduling Order in this litigation setting deadline for completing discovery, for amending pleadings, and for filing motions. The Court also set the case for trial on July 27, 2010. When the case is finally resolved, assuming Laramide is able to clear title; Laramide will be required to pay US$500,000 to complete title transfer for La Sal.

In 2006, the Company completed an independent national instrument 43-101 technical report on the La Jara Mesa property.

(4) UNC Mineral Royalty, USA

On December 20, 2006, the Company acquired a portfolio of uranium royalties in the Grant's Mineral District of New Mexico, USA from United Nuclear Corporation ("United Nuclear"), a wholly owned indirect subsidiary of General Electric Company (GE) since 1997. The royalty portfolio covers three separate parcels of mineral leases (Section 8, Section 17, and Mancos) in the Churchrock area of McKinley County which is located 20 miles northeast of Gallup, New Mexico. The properties are presently owned by a subsidiary of Uranium Resources Inc ("URI"), a US publicly traded uranium producer, who acquired them from United Nuclear in a series of transactions between 1986 and 1991.

The royalty interests being acquired are sliding scale gross revenue royalties with minimum levels of 5% and maximum levels of 24% depending on the spot price of uranium. Stated reserves on the property are not compliant with Canadian National Instrument 43-101 reporting standards but historic resources being utilized as the basis for the feasibility study are 18.6 million pounds on all of the parcels with 6.5 million of that on Section 8 which is anticipated to be developed using the insitu-leach (ISL) production method.

8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

(4) UNC Mineral Royalty, USA (Continued)

Terms of the acquisition call for Laramide to pay United Nuclear US $9.25 million (CAD $11.3 million) in cash, structured as follows :

- US $3.5 million (CAD $4,071,900) at closing (paid);
- US $3 million (CAD $3,153,000) on issuance of the final regulatory permit required to allow production to commence on Section 8; (permits not yet issued)
- US $1.25 million (CAD $1,313,750) on issuance of the final regulatory permit required to allow production to commence on Section 17; and
- US $1.5 million (CAD $1,576,500) on issuance of the final regulatory permit required to allow production to commence on Mancos (also known as Sections 7,12, and 13)

URI has completed the feasibility study on the Section 8 lease and has applied for permits. There currently is a legal dispute between regulatory authorities as to which one has the authority to grant permits and a ruling is expected in June 2010.

(5) Sioux Uranium Project, USA

On May 1, 2006 the Company entered into a joint venture agreement with Power Reserves Group LLC, a private US based uranium company, to explore uranium deposits in the western United States. The joint venture will be known as the Sioux Uranium Project.

Terms of the joint venture allow for Laramide to earn up to a 70% participating interest by funding the Sioux Uranium Project through feasibility. The initial exploration earn-in is US $2.5 million (CAD$2.63 million) over three years for a 51% interest with additional cash payments totaling US $600,000 (CAD $630,600) required over the same period for further acquisition of mineral properties adjacent to the existing project.

In 2008, based on drill results received by the Corporation, no further expenditure was considered warranted and all costs associated with this project were written off.

9. SPIN-OUT TRANSACTION

In August 2008 Laramide effectively completed the spin-out (“Spin-out”) of its non-uranium assets to Treasury Metals Inc. (“Treasury Metals”), its then wholly-owned subsidiary. The Spin-out was achieved through various steps all of which were conditional upon the successful closing of the initial public offering by Treasury Metals (the “Treasury Metals IPO”).

1) On August 11, 2008 Treasury Metals received a receipt from the Canadian securities regulators in British Columbia and Ontario in connection with the Treasury Metals IPO prospectus. The IPO qualified the distribution of common shares in the capital of Treasury Metals.

2) On August 21, 2008 ("Record Date") Laramide distributed by a return of capital, 16,459,167 common shares of Treasury Metals to the shareholders of record of Laramide on that date. Pursuant to the return of capital, shareholders of Laramide on the Record Date received one Treasury Metals common share for each 3.8 Laramide common shares held by them for no consideration.

3) Following the return of capital and the going public transactions, Laramide held approximately 4,108,091 Treasury Metals common shares, being approximately 15.28% of the total issued and outstanding 26,788,715 Treasury Metals common shares.

4) Contemporaneously with the closing of the Treasury Metals IPO, the Company completed the transaction that it had originally entered into with Corona Gold Corporation ("Corona") and Teck Cominco Limited (“Teck Cominco”) to purchase through Treasury Metals, 100% of Corona's and Teck Cominco’s respective interests in the Thunder Lake West, Thunder Lake East and certain adjacent properties in and around Dryden, Ontario. Under the terms of the agreement Corona received from Laramide aggregate cash consideration of $15,000,000 and a 10% interest in Treasury Metals after it became a public company. Teck Cominco received cash consideration of $3,411,687 and a 2.27% interest in Treasury Metals. A total of 3,286,975 shares of Treasury Metals representing 12.27% interest were issued to Corona and Teck Cominco.

   Upon the closing of the Treasury Metals IPO, 2,934,482 shares of Treasury Metals were issued to outside investors as a result of a financing commitment made in March 2008.

The transactions are essentially comprised of (a) a transfer to Laramide shareholders of 84.72% of Laramide’s ownership interest in Treasury Metals immediately after the Treasury Metals IPO and retention by Laramide of a 15.28% ownership interest in Treasury Metals; (b) the Treasury Metals IPO, and (c) issuance of shares to Corona and Teck Cominco by Treasury Metals.

(EXPRESSED IN CANADIAN DOLLARS)

9. SPIN-OUT TRANSACTION (Continued)

For accounting purposes the substance of the transaction is characterized as follows.

The transfer of 84.72% ownership interest pursuant to the Spin-out transaction represented a non-monetary non-reciprocal transfer to owners and was measured at the carrying amounts in Laramide. Accordingly the Company accounted for the Spin-out by de-consolidating the assets and liabilities at their carrying values in the books of Laramide and recorded the net difference through retained earnings (deficit) effective August 21, 2008. The resulting de-consolidation adjustments are summarized in the following table.

Current Assets	$	1,079,682
Investments		5,599,281
Mineral properties and related deferred costs		28,556,930
Total assets of discontinued operation		35,235,893
Current liabilities of discontinued operations		(13,762,289)
Future tax liability		(1,167,250)
Net Book Value		20,306,354
Reclassification of unrealized gains (loss) resulting from spin-out transaction		(3,517,285)
Equity adjustment due to spin-out transaction	$	16,789,069

The Company's residual 15.28% ownership interest in Treasury Metals common shares constitutes a financial asset and has been designated as an available-for-sale investment as of August 21, 2008. Accordingly the carrying value of the investment was increased by $1,416,839 to reflect its carrying value on that date together with a corresponding adjustment through other comprehensive income. The residual ownership interest increased to 14.16% in 2009, resulting from additional aquisition of Treasury Metals common shares.

The Treasury Metals IPO and the issuance of Treasury Metals shares to Corona and Teck Cominco have no accounting impact on the Company as they are in substance transactions occurring at the spin-out entity (Treasury Metals) level immediately following the Spin-out transaction.

(EXPRESSED IN CANADIAN DOLLARS)

9. SPIN-OUT TRANSACTION (Continued)

Discontinued operations

The underlying assets and liabilities subject to Spin-out constitute a component of Laramide as defined in CICA Handbook section 3475. The results of operations of the underlying assets and liabilities as separately recorded in the financial statements of Treasury Metals have been presented as discontinued operations for all years presented as the Spin-out meets the conditions for discontinued operations as specified in CICA 3475. These amounts are comprised of the following items as allocated to Treasury Metals in its stand alone statement of operations.

Year Ended December 31, 2008	
Revenues	
Interest income	$ 47,704
Royalty income	257,147
Gain on sale of investments	5,020
	309,871
Expenses	
Administrative and office	409,814
Audit and legal	141,411
Consulting	163,533
Foreign exchange gain	(127)
Amortization of mineral properties	2,768
	717,399
Net loss for the year	$ (407,528)

(EXPRESSED IN CANADIAN DOLLARS)

10. CAPITAL STOCK

(a) AUTHORIZED
Unlimited common shares
2,231,622 preferred shares

(b) ISSUED

	Number of Shares	Stated Value
COMMON SHARES		
Balance, December 31, 2007	**58,832,592**	**$ 98,573,490**
Shares issued for cash on private placement (ii)	3,712,500	14,850,000
Cost of issue - Warrants valuation (ii)	-	(193,725)
Cost of issue - Cash (ii)	-	(1,134,099)
Flow through tax effect (iii)	-	(1,167,250)
Balance, December 31, 2008	**62,545,092**	**110,928,416**
Shares issued for cash on private placement (i)	**5,000,000**	8,750,000
Cost of issue - cash	-	(736,206)
Cost of issue - warrants	-	(188,120)
Fair value of warrants issued	-	(1,810,788)
Balance, December 31, 2009	**67,545,092**	**$ 116,943,302**

(i) On March 5, 2009, the Company closed a bought-deal offering (the "Offering") of 5,000,000 units at a price of $1.75 per unit for gross proceeds of $8,750,000. Each unit consists of one common share in the share capital of Laramide (each, a "Common Share") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Common Share upon payment of the exercise price of $2.50 on or before March 5, 2012, subject to adjustment.

The units were sold through a syndicate of underwriters. The underwriters have also been given an option exercisable, in whole or in part, at the sole discretion of the underwriters, at any time prior to the 30th day following the closing of the Offering, to purchase up to an additional 750,000 units at a price of $1.75 per unit. Of the 750,000 over-allotment option available to the underwriters, 375,000 were exercised. Accordingly, the net proceeds of $63,450 served to reduce the cost of issue recognized for the underlying warrants.

In connection of this public offering, the Company issued 2,875,000 warrants exercisable at a price of $2.50 per share, exercisable until March 5, 2012. The warrants were assigned a fair value of $2,062,358 using the Black-Scholes pricing model with the following assumptions: Dividend yield 0%, expected volatility 106.42%, a risk-free interest rate of 1.38% and an expected life of 3 years.

(EXPRESSED IN CANADIAN DOLLARS)

10. CAPITAL STOCK (Continued)

(b) ISSUED (Continued)

(ii) On June 19, 2008, the Company completed a public offering of 3,375,000 common shares for gross proceeds of $13,500,000. In addition, the Company issued 337,500 common shares to the underwriter for the exercise of over-allotment option for gross proceeds of $1,350,000. Total costs of issue for this public offering included aggregate cash payments of $1,134,099.

In connection with this public offering, the Company issued 148,500 broker warrants exercisable at a price of $4.00 per share for the first twelve months from the closing date. The broker warrants were assigned a fair value of $193,725 using the Black-Scholes option pricing model with the following assumptions: Dividend yield 0%, expected volatility 99.5%, a risk-free interest rate of 3.81% and an expected life of 1 year.

(iii) Upon renunciation of the exploration expenditures under the terms of the flow-through common share issuance in 2007 for aggregate consideration of $4,025,000, a future tax liability of $1,167,250 was recognized during the 2008 which was allocated as a cost of issuing the flow-through shares at the time of renunciation.

11. WARRANTS

The following table reflects the continuity of warrants and compensation options:

Expiry Date	Exercise Price	December 31, 2008 Balance	Issued	Expired	December 31, 2009 Balance	Warrant Value
Sept. 2009	$9.50	1,350,000	-	(1,350,000)	-	$ -
June 2009	$4.00	148,500	-	(148,500)	-	-
March 2012 (Note 10(b(i))	$2.50	-	2,500,000	-	2,500,000	1,793,355
March 2012 (Note 10(b(i))	$2.50	-	375,000	-	375,000	269,003
		1,498,500	2,875,000	(1,498,500)	2,875,000	$2,062,358

Expiry Date	Exercise Price	December 31, 2007 Balance	Issued	Expired	December 31, 2008 Balance	Warrant Value
June 2008	$8.75/9.50	1,382,500	-	(1,382,500)	-	$ -
Sept. 2009	$9.50	1,350,000	-	-	1,350,000	3,981,150
June 2009 (Note 10(b)(ii))	$4.00	-	148,500	-	148,500	193,725
		2,732,500	148,500	(1,382,500)	1,498,500	$4,174,875

The value of expired warrants of $4,174,875 (2008 - $4,029,988) was allocated to contributed surplus.

(EXPRESSED IN CANADIAN DOLLARS)

12. STOCK OPTIONS

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to acquire shares of the Company to directors, officers, consultants and other key employees of the Company. The number of common shares subject to options granted under the Plan is limited to 10% in the aggregate, and 5% with respect to any one optionee, of the number of issued and outstanding common shares of the Company at the date of the grant of the option. The exercise price of any option granted under the Plan may not be less than the fair market value of the common shares at the time the option is granted, less any permitted discount. Options issued under the Plan may be exercised during a period determined by the board of directors which cannot exceed five years. The plan does not require any vesting period and the board of directors may specify a vesting period on a grant by grant basis.

Stock option transactions and the number of stock options outstanding are as follows:

	NUMBER OF STOCK OPTIONS		WEIGHTED AVERAGE EXERCISE PRICE ($)	
	2009	2008	**2009**	2008
Opening Balance	**2,020,000**	1,997,500	**6.85**	8.04
Options granted (i)(ii)	**2,220,000**	1,695,000	**1.80**	5.50
Options forfeited	**(60,000)**	-	**4.27**	-
Options expired	**(325,000)**	(1,672,500)	**13.90**	6.90
Ending Balance	**3,855,000**	2,020,000	**3.39**	6.85

Total issued and outstanding options to acquire common shares of the Company as at December 31, 2009 are as follows:

December 31, 2009	Number of Options	Exercise Price ($)	Expiry Date
	1,635,000	5.50	February 11, 2010
	2,220,000	1.80	March 19, 2012
	3,855,000	**3.39**	

Of the 3,855,000 issued and outstanding options, 2,899,509 are exercisable as at December 31, 2009.

During the year, $1,145,517 (December 31, 2008 - $1,200,401) was capitalized to mineral properties and $1,144,642 (December 31, 2008 - $1,431,719) was expensed to operations and deficit. The offsetting charge pertaining to the recognition of the fair value of options vesting during the year of $2,290,159 (December 31, 2008 - $2,632,120) was allocated to contributed surplus.

i) On March 19, 2009 the Company granted 2,220,000 options to officers, directors and consultants. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 106.91%, a risk free interest rate of 1.34%, and an expected maturity of 3 years. These options vest at a rate of 50% every six months after the date of grant. As a result, the fair value of the options was estimated at $2,396,940, and will be recognized over the periods the underlying options vest. Of the $2,396,940 fair value, $1,212,133 is subject to capitalization to mineral properties and $1,184,807 will be expensed to the Company's consolidated statement of operations.

12. STOCK OPTIONS (Continued)

December 31, 2008	Number of Options	Exercise Price ($)	Expiry Date
	325,000	13.90	April 19, 2009
	1,695,000	5.50	February 11, 2010
	2,020,000	6.85	

Of the 2,020,000 issued and outstanding options, 1,172,500 were exercisable as at December 31, 2008.

ii) On February 11, 2008, the Company granted 1,675,000 options to officers, directors and consultants, and on April 17, 2008, a further 20,000 options were granted to a consultant of the Company. The options were granted with an exercise price of $5.50 and an expiry date of February 11, 2010. 50% of the options granted vest after six months with the remaining 50% vesting after 12 months. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 84.6%, risk free interest rate 3.04%, and an expected life of 1.75 years. As a result, the fair value of the options was estimated at $2,525,550, and will be recognized as the underlying options vest.

13. CONTRIBUTED SURPLUS

The following table reflects the continuity of contributed surplus:

	Amount
Balance, December 31, 2007	$ 6,794,965
Stock-based compensation	2,632,120
Expired warrants (Note 11)	4,029,988
Balance, December 31, 2008	13,457,073
Stock-based compensation	2,290,159
Expired warrants (Note 11)	4,174,875
Balance, December 31, 2009	**$ 19,922,107**

14. RELATED PARTY TRANSACTIONS

The Company was charged $162,520 (December 31, 2008 - $212,534) by a company controlled by a director for technical and professional services.

During the year, $325,273 (December 31, 2008 - $240,200) was charged by Aquiline Resources Inc., ("Aquiline") with which it had a director in common up to December 7, 2009. The charges pertain to expenses paid by Aquiline on behalf of the Company. On December 7, 2009, Pan American Silver Corp. took over the control of Aquiline.

Subsequent to the close of the spin-out transaction in fiscal 2008 described in note 9, the Company settled a debt of $5,055,026 owing from Treasury Metals Inc., for 842,504 shares of Aquiline.

During the year, $129,466 (December 31, 2008 - $144,433) was charged by an officer of the Company for legal services, of which $25,000 is included in accounts payable as at December 31, 2009 (December 31, 2008 - $11,859)

Transactions with related parties in the normal course of operations are conducted on terms that approximate market value and are measured at the exchange amounts.

15. INCOME TAXES

The following table reconciles the expected income tax recovery at the blended statutory income tax rates of approximately 33.0% (2008 - 33.5%) to the amounts recognized in the statements of operations:

	2009	2008
Net income (loss) reflected in the statements of operations	**$ (15,454,610)**	$ (5,588,947)
Expected income tax expense (recovery) at statutory rates	**(5,100,022)**	(1,872,297)
Permanent differences	**319,600**	89,100
Amounts taxed in foreign jurisdictions, tax rate changes and other adjustments	**(138,378)**	1,676,104
Effects of changes in temporary differences not recognized	**6,436,200**	(4,900,900)
Increase in valuation allowance	**(1,399,600)**	5,058,420
Income tax provision reflected in the statement of operations	**$ 117,800**	$ 50,427
The Company's income tax (recovery) is allocated as follows:		
Current tax expense	**$ -**	$ -
Future tax expense	**117,800**	50,427
	$ 117,800	$ 50,427

The Company's future tax income tax assets and liabilities as at December 31, 2009 and 2008 are as follows:

Future Tax Assets	**2009**	2008
Non-capital losses - Canada	**$ 3,211,400**	$ 2,790,300
Non-capital losses - Australia	**7,910,000**	6,437,900
Other assets	**736,800**	736,800
Undeducted share issuance costs	**383,800**	524,500
Short-term investments	**2,189,700**	4,043,900
	14,431,700	14,533,400
Less: offset against future income tax liabilities	**(8,861,800)**	(7,563,900)
Less: valuation allowance	**(5,569,900)**	(6,969,500)
Net tax value of future tax assets	**$ -**	$ -

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15. INCOME TAXES (Continued)

Future Tax Liabilities

	2009	2008
Canadian and U.S. mineral properties	**$ (1,226,000)**	$ (1,094,500)
Australian mineral properties	**(15,742,000)**	(13,822,500)
Capital assets	**(340,200)**	(476,000)
Less: reduction due to allocation of applicable future income tax assets	**8,861,800**	7,563,900
	$ (8,446,400)	$ (7,829,100)

The Company's non-capital income tax losses expire as follows:

2010	$ 5,675,500
2014	647,300
2025	1,467,500
2026	1,160,700
2028	488,500
2029	2,157,200
	$11,596,700

In addition, the Company's Australian subsidiaries have non-capital losses of approximately $21,460,000 that do not expire.

16. EARNINGS (LOSS) PER SHARE

Years Ended December 31,	**2009**	2008
Weighted average shares outstanding - basic	**66,668,380**	60,815,982
Dilutive stock options	**-**	-
Dilutive warrants	**-**	-
Weighted average shares outstanding - diluted	**66,668,380**	60,815,982
Basic and diluted loss per share from continued operations	**$ (0.23)**	$ (0.09)
Basic and diluted loss per share	**$ (0.23)**	$ (0.09)

Basic and diluted income (loss) per share for the years ended December 31, 2009 and 2008 are the same. Weighted average shares outstanding at December 31, 2009 including the dilutive effects of options and warrants is 66,668,380 (December 31, 2008 - 60,815,982).

(EXPRESSED IN CANADIAN DOLLARS)

17. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies not otherwise disclosed in these statements and notes are as follows:

a) COMMITMENTS

Exploration Tenement Expenditure Requirements

In order to maintain current rights to tenure of exploration tenements, the Company will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes at renewal or expiry, will change the expenditure commitments for the Company from time to time.

These outlays (exploration expenditure and rent) which arise in relation to granted tenements inclusive of tenement applications granted subsequent to December 31, 2009 but not recognised as liabilities are as follows:

		2009		2008
Not longer than one year	**$**	**226,420**	$	312,759
Longer than one year but not longer than five years		**289,366**		423,823
	$	**515,786**	$	736,582

b) CONTINGENCIES

With respect to the Company's wholly-owned Australian subsidiary, Tackle Resources Pty Ltd, no provision has been made for the possibility of native title claim applications at some future time, under the provisions of the Australian Native Title Act (1993), which may impact on exploration tenements under application. Any substantiated claim may have an effect on the value of the tenement application affected by the claim. The amount and likelihood of any such claim(s) in the future can not be reasonably estimated at this time.

(EXPRESSED IN CANADIAN DOLLARS)

18. SEGMENTED INFORMATION

The Company operates in the mining, exploration and development business and has operations in Australia, Canada and the USA.

December 31, 2009

	Canada	USA	Australia	Consolidated
Current assets	$ 11,826,577	$ -	$ 895,092	$ 12,721,669
Investments	6,196,022	-	4,320,711	10,516,733
Mineral properties and related deferred costs	-	9,547,656	52,473,126	62,020,782
Property and equipment	36,840	-	1,093,793	1,130,633
	$ 18,059,439	$ 9,547,656	$ 58,782,722	$ 86,389,817
Revenues	$ 1,201,367	$ -	$ 166,427	$ 1,367,794
Amortization of property and equipment	$ 9,210	$ -	$ -	$ 9,210

December 31, 2008

	Canada	USA	Australia	Consolidated
Continued Operations:				
Current assets	$ 4,178,479	$ -	$ 1,018,059	$ 5,196,538
Investments	430,779	-	4,944,630	5,375,409
Mineral properties and related deferred costs	-	8,450,610	46,075,080	54,525,690
Property and equipment	46,138	-	1,522,231	1,568,369
	$ 4,655,396	$ 8,450,610	$ 53,560,000	$ 66,666,006
Revenues	$ 67,224	$ -	$ 102,593	$ 169,817
Amortization of property and equipment	$ 23,756	$ -	$ -	$ 23,756
Discontinued Operations:				
Revenues	$ 309,871	$ -	$ -	$ 309,871
Amortization of mineral properties	$ 2,768	$ -	$ -	$ 2,768

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19. SUBSEQUENT EVENT

Occupancy Lease Agreement

Throughout the fiscal year, the Company subleased office space for its Canadian head offices in a shared space agreement from Aquiline Resources which was taken over by Pan American Silver Corp. ("PAA") in December 2009. At the date of this report, the Company has received an offer from PAA whereby Laramide will assume the premises and primary lease in exchange for $400,000 cash consideration and furniture and equipment ascribed a fair value of approximately $95,000. As a result of this offer, which the Company considers fair, the Company would be committed to minimum annual rent payments of $140,000 per annum until the end of the underlying lease in June 2013. No final agreement has been signed as of the auditor's report date of these audited financial statements.